

Higher Education Features Of the 2003-04 Budget

LEGISLATIVE ANALYST'S OFFICE

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Assembly Higher Education Committee

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Major Features of the 2003-04 Higher Education Budget

- ☒ No cost-of-living allowances.
- ☒ Funding for enrollment growth of about 7 percent at the University of California (UC) and the California State University (CSU) and about 1.5 percent at the California Community Colleges (CCC).
- ☒ Trailer bill expresses intent not to fund enrollment growth at UC or CSU in 2004-05.
- ☒ Fee increases of about 30 percent at UC and CSU and about 64 percent at CCC.
- ☒ For UC, allocated reductions to outreach and other programs totaling about \$110 million. Also, unallocated reductions of almost \$300 million, of which about \$200 million would be backfilled with new fee revenue.
- ☒ For CSU, allocated reduction of about \$175 million to academic/institutional support, outreach, and other programs. Also, unallocated reductions of about \$200 million, of which all but about \$35 million would be backfilled with new fee revenue.
- ☒ For CCC, \$25 million reduction to concurrent enrollment (about 6,000 full-time equivalent students [FTES]). Shift of \$38 million from Partnership for Excellence to financial aid outreach. The CCC's 2003-04 resources include \$200 million borrowed from 2004-05.
- ☒ Full funding of Cal Grant programs, including funding to cover fee increases. Significant increases to UC and CSU's institutional financial aid budgets (due to diversion of one-third of new student fee revenues for this purpose).



General Fund Change From Enacted 2002-03 Budget

(Dollars in Millions)

	2002-03 Enacted	2003-04 Budget	Change	
			Amount	Percent
UC	\$3,224	\$2,902	-\$322	-10%
CSU	2,680	2,492	-188	-7
CCC	4,769	4,592	-177	-4



Change amounts reflect reductions made midyear in 2002-03 as well as reductions for 2003-04.



Does not reflect new revenue from fee increases.



General Fund Change From Revised 2002-03 Budget

(Dollars in Millions)

	2003-03 Revised	2003-04 Budget	Change	
			Amount	Percent
UC	\$3,150	\$2,902	-\$248	-8%
CSU	2,707	2,492	-215	-8
CCC	4,594	4,592	-2	—

☒ Change amounts reflect reductions made for 2003-04 only.

☒ Does not reflect new revenue from fee increases.



General Fund Change From Revised 2002-03 Budget (With Fee Backfill)

(Dollars in Millions)

	2003-03 Revised	2003-04 Budget	Change	
			Amount	Percent
UC	\$3,150	\$3,098	-\$52	-1.6%
CSU	2,707	2,662	-45	-1.7
CCC	4,594	4,689	95	2.1



2003-04 figures reflect additional revenue provided from fee increases that is available to backfill General Fund reductions. (Fee revenue amounts do not include the one-third of revenue that is diverted to campus-based financial aid.)



Average Funding Per Budgeted FTES (General Fund With Fee Backfill)

	2002-03 Revised	2003-04 Budget	Change	
			Amount	Percent
UC	\$16,612	\$15,290	-\$1,321	-8%
CSU	8,429	7,737	-693	-8
CCC	4,195	4,247	52	1

- ☒

Figures reflect the average amount of General Fund support (plus new fee revenue in 2003-04) associated with each FTES.
- ☒

This table does not relate to marginal cost funding formula. There is no direct linkage between average support per FTES and actual student-related expenditures.